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Message Text

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73
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INFO AMEMBASSY KINGSTON

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GENEVA FOR PHELAN

E.O. 11652: N/A

TAGS:ETRD,

SUBJECT: REPORT ON JAMAICAN TEXTILE TALKS.

1. SUMMARY: U.S. AND JAMAICA HELD TEXTILE TALKS IN KINGSTON ON APRIL 14AND 15. JAMAICA HAD REQUESTED TALKS BECAUSE OF ITS RESERVATIONS ABOUT THE MEMORANDUM OF UNDERSTANDING ON TEXTILES INITIATED BY REPRESENTATIVES OF THE TWO GOVERNMENTS IN JUNE OF 1975. TALKS WERE FRANK, CONSTRUCTIVE, AND FRIENDLY WITH TWO DELEGATIONS AGREEING TO REVISE KEY PROVISIONS OF THE MEMORANDUM. MOST SIGNIFICANT REVISION WAS IN PROVISION FOR HANDLING OF DISRUPTIVE IMPORTS FROM JAMAICA.
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REVISED MEMORANDUM PROVIDES THAT IN EVENT PARTIES CANNOT

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AGREE ON A LEVEL FOR ALLEDGEDLY DISRUPTIVE IMPORTS, JAMAICA MAY DURING THE 12 MONTHS FOLLOWING A REQUEST FOR CONSULTATIONS EXPORT AT A RATE EQUAL TO 120 PERCENT OF ITS AVERAGE RATE FOR THE 12 MONTHS PERIOD PRIOR TO THE REQUEST FOR CONSULTATIONS. DETAILS ON NEGOTIATIONS FOLLOW IN THIS MESSAGE AND TEXT OF REVISED MEMORANDUM OF UNDERSTANDING BEING FORWARDED. END SUMMARY.

2. ON APRIL 14 AND 15,REPRESENTATIVES OF THE U.S. AND JAMAICAN GOVERNMENTS HELD TEXTILE TALKS IN KINGSTON. U.S. DELEGATION HEADED BY CHARLES ANGEVINE, DEPARTMENT OF STATE, AND INCLUDED ED GOTTFRIED, DEPARTMENT OF COMMERCE, AND JANIE HESTER, DEPARTMENT OF LABOR. JAMAICAN DELEGATION WAS HEADED BY LESLIE WILSON, UNDERSECRETARY FOR FOREIGN TRADE, MINISTRY OF INDUSTRY, TOURISM AND FOREIGN TRADE, AND INCLUDED RODERICK RAINFORD, UNDERSECRETARY FOR INDUSTRY; MRS. MAVIS CAMPBELL, MINISTRY OF INDUSTRY, TOURISM AND FOREIGN TRADE; MR. DOUGLAS HANNAY, JAMAICA INDUSTRIAL DEVELOP-MENT CORPORATION; MRS. DAWN OTTEY, JAMAICA NATIONAL EXPORT CORPORATION; AND DENNIS GAYLE, DEPARTMENT OF FOREIGN AFFAIRS.

3. WILSON BEGAN TALKS BY REPORTING JAMAICAN VIEWS ON JUNE 20, 1975, MEMORANDUM OF UNDERSTANDING NEGOTIATED BY REPRESENTATIVES OF TWO GOVERNMENTS IN WASHINGTON. GOJ DOES NOT BELIEVE JUNE MEMORANDUM PROVIDES SOUND BASIS FOR JAMAICAN TEXTILE EXPORTS TO U.S. WILSON NOTED JAMAICA HAS FIVE YEAR PROGRAM FOR DEVELOPMENT OF TEXTILE EXPORTS AND AIMS TO EXPORT 60 MILLION SQUARE YARDS ANNUALLY TO ALL MARKETS IN FIFTH YEAR OF PROGRAM. HE SAID FEAR THAT UNDER MEMORANDUM ACCESS TO US MARKET MIGHT BE BLOCKED AT ANY TIME WAS HINDERING GOJ'S EFFORTS TO ATTRACT FOREIGN AND DOMESTIC INVESTMENT INTO MANUFACTURE OF TEXTILES FOR EXPORT.

4. ACCORDING TO WILSON, THIS FEAR STEMS FROM PROVISIONS IN MEMORANDUM PERMITTING U.S. TO REQUEST CONSULTATIONS IN EVENT JAMAICAN EXPORTS CONTRIBUTE TO DISRUPTION OF US MARKET. AS GOJ UNDERSTOOD THIS PROVISION, U.S.
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FINDING OF DISRUPTION WOULD DEPEND ON DEVELOPMENTS IN US MARKET AND US IMPORTS FROM OTHER COUNTRIES IN ADDITION TO JAMAICAN EXPORT LEVELS. ACCORDINGLY, LEVEL OF JAMAICAN EXPORTS WHICH MIGHT BE FOUND DISRUPTIVE WAS HIGHLY UNCERTAIN.

5. WILSON RECALLED THAT US HAD OPPPOSED SETTING OF SPECIFIC LEVELS FOR JAMAICAN TEXTILE EXPORTS TO US

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ON GROUNDS THAT TRADE LEVELS DIDN'T WARRANT RESTRAINTS BUT ASKED WHETHER US WOULD BE WILLING TO CONSIDER MODIFYING JUNE MEMORANDUM TO RESPOND TO JAMAICAN REQUIREMENTS FOR ASSURED ABILITY TO EXPORT SPECIFIC AMOUNTS OF ITS TEXTILE PRODUCTS TO US.

6. ALTHOUGH U.S. DELEGATION ACKNOWLEDGED CONSULTATION MECHANISMDOES NOT PROVIDE ASSURED MARKET OPPORTUNITIES. IT NOTED THAT GOJ MIGHT NOT FULLY APPRECIATE CONSTRAINTS ON US USE OF CONSULTATIVE PROCEDURES. ANY U.S. ACTION RESPECTING ITS TEXTILE IMPORTS FROM JAMAICA WOULD HAVE TO BE CONSISTENT WITH THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (MFA). U.S. SIDE RECALLED MFA LISTS OBJECTIVE MEASURES FOR DETERMINING DISRUPTION AND CALLS FOR SPECIFICALLY STRINGENT USE OF RESTRAINTS IN REGARD TO SMALL AND DEVELOPING COUNTRY EXPORTERS. U.S. SIDE EMPHASIZED THESE MFA PROVISIONS PROVIDE SOME ASSURANCE THAT EXPANSION OF JAMAICAN EXPORTS TO THE U.S. WITHIN BROAD LIMITS WOULD NOT CONTRIBUTE TO DISRUPTION OF U.S. SUFFICIENT TO WARRANT A REQUEST FOR CONSULTATIONS.

7. U.S. DELEGATION ALSO CONFIRMED THAT U.S. CONTINUES TO BELIEVE SPECIFIC RESTRAINTS ON JAMAICA'S TEXTILE EXPORTS TO THE U.S. SHOULD BE AVOIDED AND EXPRESSED U.S. WILLINGNESS TO (A) HAVE NO AGREEMENT (B) EXCHANGE NOTES BASED ON JUNE MEMORANDUM OR (C) EXPLORE POSS-IBILITIES FOR MODIFICATION OF JUNE MEMORANDUM. GOJ EXPRESSED ITS PREFERENCE FOR LATTER COURSE.

8. THE FIRST ITEM DEALT WITH IN SUBSEQUENT EXPLORATION OF THIS THIRD COURSE WAS INTRODUCTION OF SOME QUANTITATIVE RELATIONSHIP BETWEEN TRADE LEVELS AND LIMITED OFFICIAL USE

POSSIBLE RESTRAINT LEVELS. THE ISSUE WAS RESOLVED BY REFERRING TO APPROPRIATE MFA REQUIREMENTS FOR DETERMIN-ATION OF DISRUPTION BY FIRST, ON MINIMUM CONSULTA-TION LEVELS OF 100,000 SYE FOR WOOL, 700,000 SYE FOR APPAREL AND 1,000,000 SYE FOR OTHER PRODUCTS AND, SECONDLY, AGREEMENT THAT WHENEVER THE PARTIES WERE UNABLE TO AGREE ON A TRADE LEVEL FOR DISRUPTIVE IMPORTS JAMAICA MAY DURING THE 12 MONTHS FOLLOWING A REQUEST FOR CONSULTATIONS EXPORT AT A RATE EQUAL TO 120 PERCENT OF ITS AVERAGE RATE FOR THE 12 MONTHS PERIODS PRIOR TO THE REQUEST FOR CONSULTATIONS.

9. THE SECOND ISSUE DEALT WITH, THE FOUNDATION FOR ANY NEW AGREEMENT CONTAINING SPECIFIC LEVELS, PROVED MORE DIFFICULT TO RESOLVE. GOJ DELEGATION ARGUED THAT NEGOTIATIONS FOR NEW AGREEMENT LEVELS SHOULD BE

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BASED ON AGGREGATE OF EXPIRED COTTON AGREEMENT (ABOUT 34 MILLION SQ YARDS), AND LEVEL OF MAN-MADE TRADE. GOJ DELEGATION SAID THAT ARTICLE 3 PARA 1, AND ARTICLE 6, PARAGRAPH 1, PROHIBITED NEW RESTRAINTS ON TRADE LOWER THAN THOSE IN EXPIRED COTTON AGREEMENT.

10. U.S. DELEGATION INDICATED WILLINGNESS TO STATE RELEVANCY OF BOTH TRADE AND PREVIOUS AGREEMENT TO DETERMINATION OF SPECIFIC BASES FOR NEW AGREEMENT TO CONTAINING SPECIFIC LEVELS, BUT ADDED THAT AGREEMENT ON BASES WOULD NOT BE APPROPRIATE IN AN AGREEMENT ON A CONSULTATION MECHANISM. U.S. SIDE ALSO NOTED THAT APPAREL PRODUCTS WERE EXPECTED TO BE PRINCIPAL COMPONENT OF JAMAICAN TEXTILE EXPORTS TO U.S. AND SAID U.S. WOULD EXPECT ANY AGREEMENT TO BE LIMITED TO APPAREL. IN SUCH CASE YARDAGE FROM PREVIOUS AGREEMENTS REPRESENTED BY SPECIFIC LIMITS ON APPAREL PRODUCTS WOULD PROVIDE MORE RELEVANT STARTING POINTS.

11. GOJ SIDE EXPRESSED AGREEMENT ABOUT APPROPRIATENESS OF CONFINING A FUTURE AGREEMENT TO APPAREL, BUT DID NOT WANT TO COMPROMISE ITS POSITION REGARDING INCLUSION OF ALL YARDAGE FROM PREVIOUS AGREEMENT. ACCORDINGLY, BOTH SIDES AGREED TO LEAVE THIS ISSUE TO FUTURE NEGOTIATIONS. SISCO

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